

by the Canadian Government of the Agreement.⁵⁷ As a result of its deliberations, with the possible exception of allocation of radio frequencies, there remain no outstanding unsolved issues in the field of telecommunications between the United States and members of the Commonwealth. The agreement on direct circuits removes from the area of discussion a vexed topic which has caused difficulties for almost fifteen years. The proposed establishment of a United States-Commonwealth ceiling rate and willingness to extend it to any other country should prove of benefit to world trade. It has been introduced without necessitating the abolition of the Empire preference which still remains with a "tolerance" of twenty percent. The fear of prolonged and uneconomic rate cutting between the United States Companies and the British Commonwealth Cable and Radio Systems has been largely dispelled. The provision for consultation on all matters coming within its purview of the Government removes most of the danger of unilateral action. So far as Canada is concerned, the chief gains arise from the improvement in the relations between the United States and the United Kingdom. Since the bulk of Canadian communications are with the United States or with the United Kingdom and the Commonwealth, Canadian users gain little by the rate reductions except for traffic to Bermuda, the West Indies, British Guiana, and British Honduras, where the rate has been cut to a shilling. On the other hand, the Canadian Government was not asked to surrender its reduced rate for government messages which it had been prepared to do in order to facilitate further reduction of rates. The Canadian Press will gain by the retention of the existing Empire Penny Press Rate which had been originally designed for the period of the war only. From the formula worked out for uniform terminal and transit charges, Canada as a country of extensive area will receive as high proportions for these charges as any country which adheres to the Agreement.

17. In closing, the Canadian delegation would wish me to record their appreciation of the hospitality extended to them by the Government and people of Bermuda and their admiration for the efficiency of the Secretariat to the Conference provided by the United Kingdom. It is a pleasure to be able to add personally that the Canadian delegates worked harmoniously and efficiently and played their full part in furthering the success of the Conference.

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F. H. SOWARD

⁵⁷La notification de l'accord fut déposée le 28 février 1946. Canada, *Recueil des traités*, 1945, No. 14.
Notification of agreement was deposited on February 28, 1946. Canada, *Treaty Series*, 1945, No. 14.